

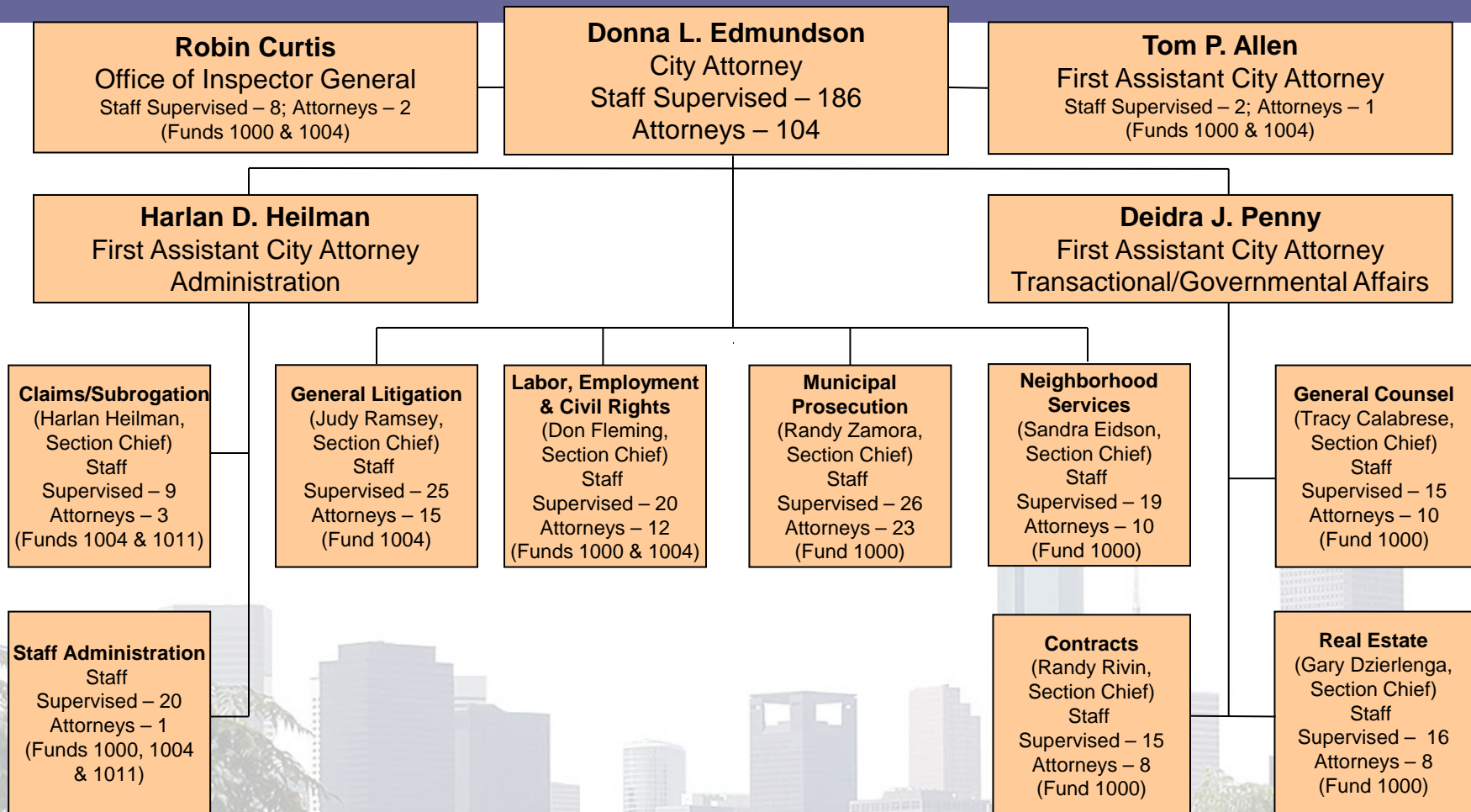


LEGAL DEPARTMENT BUDGET REPORT TO BUDGET & FISCAL AFFAIRS COMMITTEE

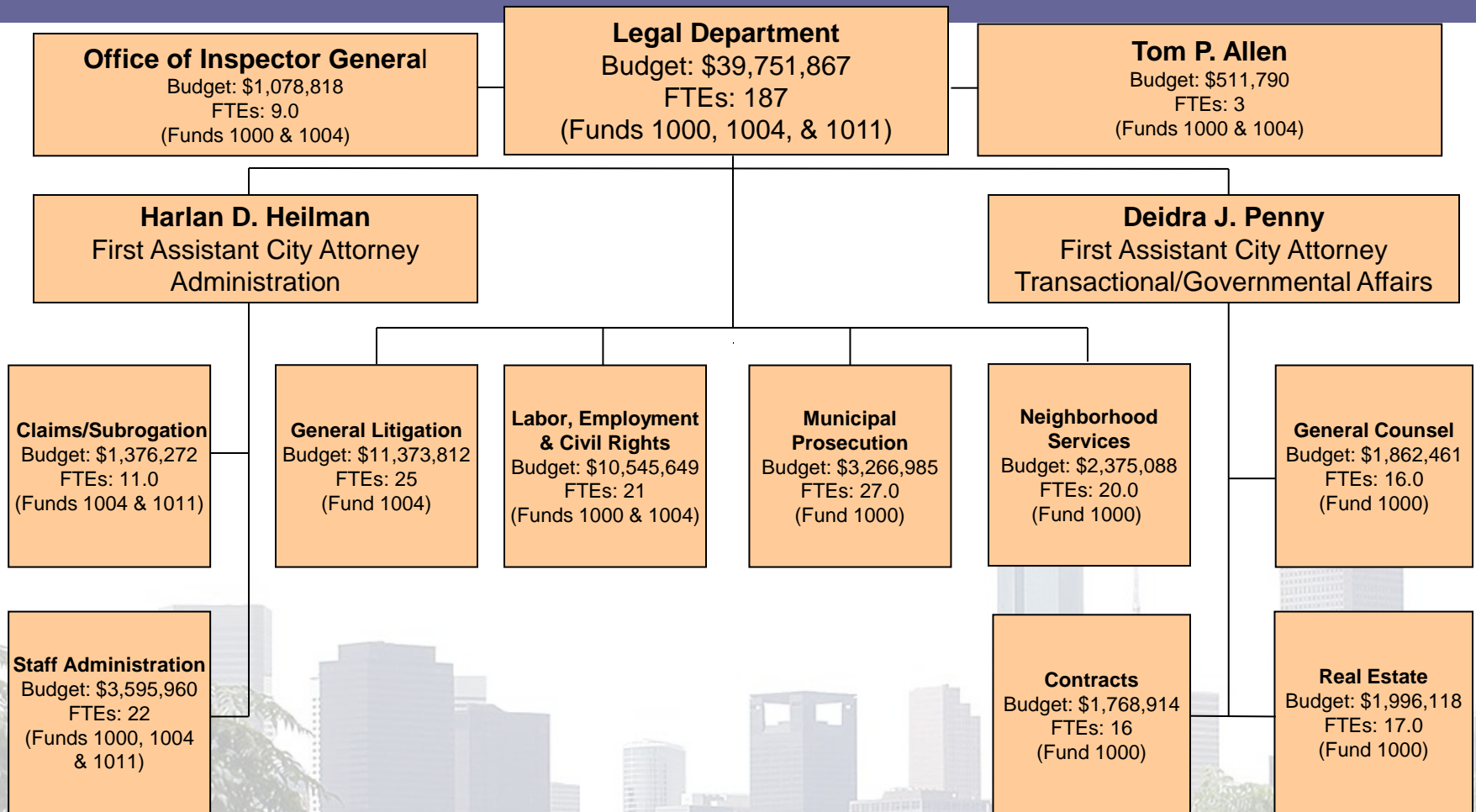
**Prepared and Presented By:
Donna L. Edmundson
City Attorney**

May 26, 2015

LEGAL DEPARTMENT ORGANIZATION CHART



LEGAL DEPARTMENT BUDGET SUMMARY BY SECTION – ALL FUNDS



LEGAL DEPARTMENT

BUDGET SUMMARY – ALL FUNDS

(in millions)

Fund	Revenue FY15 Budget*	Revenue FY16 Proposed*	+/- \$/%	Expenditure FY15 Budget	Expenditure FY16 Proposed	+/- \$/%	Fund Balance FY15 Budget	Fund Balance FY16 Prop.
General Fund 1000	\$1.24	\$1.23	(\$.01) (.8%)	\$16.49	\$16.18	(\$.31) (1.9%)	\$0	\$0
Property & Casualty Fund 1004	\$22.34	\$23.34	\$1.0 4.5%	\$22.32	\$23.34	\$1.0 4.5%	\$0	\$0
Worker's Compensation Fund 1011	n/a	n/a	n/a	\$.23	\$.24	\$.01 4.3%	n/a	n/a
Total	\$23.58	\$24.57	\$.99 4.2%	\$39.04	\$39.76	\$.72 1.8%	\$0	\$0

*The amount does not include recoveries by the Legal Department collected on behalf of the City or savings resulting from successfully defending litigation against the City. Comprised primarily of funds received from other Departments to pay for Legal Department personnel dedicated to said Departments.

LEGAL DEPARTMENT

TOTAL REVENUES BY FUND

(in millions)

Fund Name/ Number	FY14 Budget	FY14 Actual*	FY15 Budget	FY15 Estimate	FY16 Budget	+ / - \$ / % FY16 BUD./FY15 Est.
General Fund 1000	\$1.27	\$4.05	\$1.24	\$1.28	\$1.23	(\$.05) / (3.9%)
Property & Casualty Fund 1004	\$21.61	\$12.85	\$22.34	\$22.32	\$23.34	\$1.02 / 4.6%
Total	\$22.88	\$16.90	\$23.58	\$23.60	\$24.57	\$.97 / 4.1%

*FY14 Actual includes W. R. Grace bankruptcy recovery (\$2.7M). General Fund revenues exclude other recoveries/ settlements obtained by the Legal Department on behalf of other City Departments which book these recoveries in their respective revenue accounts.

FY'15 - FY'16 REVENUE HIGHLIGHTS

- Miscellaneous recoveries in excess of \$4,450,000
- Tree destruction recoveries totaling \$300,000



LEGAL DEPARTMENT

TOTAL EXPENDITURES BY FUND

(in millions)

Fund	Revenue FY15 Budget	Revenue FY16 Proposed	+/- \$/%	Expenditure FY15 Budget	Expenditure FY16 Proposed	+/- \$/%	FTEs FY15 Budget	FTEs FY16 Prop.
General Fund 1000	\$1.24	\$1.23	(\$.01) (.8%)	\$16.49	\$16.18	(\$.31) (1.9%)	127.5	128.6
Property & Casualty Fund 1004	\$22.34	\$23.34	\$1.0 4.5%	\$22.32	\$23.34	\$1.0 4.5%	54.5	55.5
Worker's Compensation Fund 1011	n/a	n/a	n/a	\$.23	\$.24	\$.01 4.3%	2	2
Total	\$23.58	\$24.57	\$.99 4.2%	\$39.04	\$39.76	\$.72 1.8%	184	186.1

FY16 PERFORMANCE MEASURES

GENERAL FUND

Performance Measures	Priorities	FY14 Actual	FY15 Budget	FY15 Estimate	FY16 Budget
Deed Restriction Inquires/ Complaints/Opened Files	P,F,Q	2,386	2,410	2,473	3,395
Deed Restriction Matters Closed without Litigation	P,F,Q	1,638	1,650	2,023	2,697

FY'15 - FY'16 EXPENDITURE HIGHLIGHTS

- Budget provides for increase in health benefits, pension contribution
- Purchase and implement an electronic discovery (eDiscovery) software solution that streamlines and automates the search for, collection, retrieval, review, and production of electronically stored information (ESI), such as emails and documents stored in their native form on hard drives, personal and network drives, servers, storage area networks (SANs), cell phones, tablets, laptops, workstations, and in the cloud which will enable the City to effectively and efficiently manage the collection and achieve compliance with court rules governing how ESI is identified, preserved, and collected

FY'16 INITIATIVES

- Purchase and implement an electronic document / case management software solution that will maximize Department efficiency and attorney productivity
- Continue to seek opportunities for proactive litigation to recover monies on behalf of the City
- Continue to proactively focus on quality of life issues
 - Assist civic groups and individuals in protecting their neighborhoods;
 - Enforcement of deed restrictions;
 - Aggressively move to enjoin the operation of businesses that constitute public nuisances; and
 - Continue to address blight in neighborhoods and the unlawful activities of slumlords

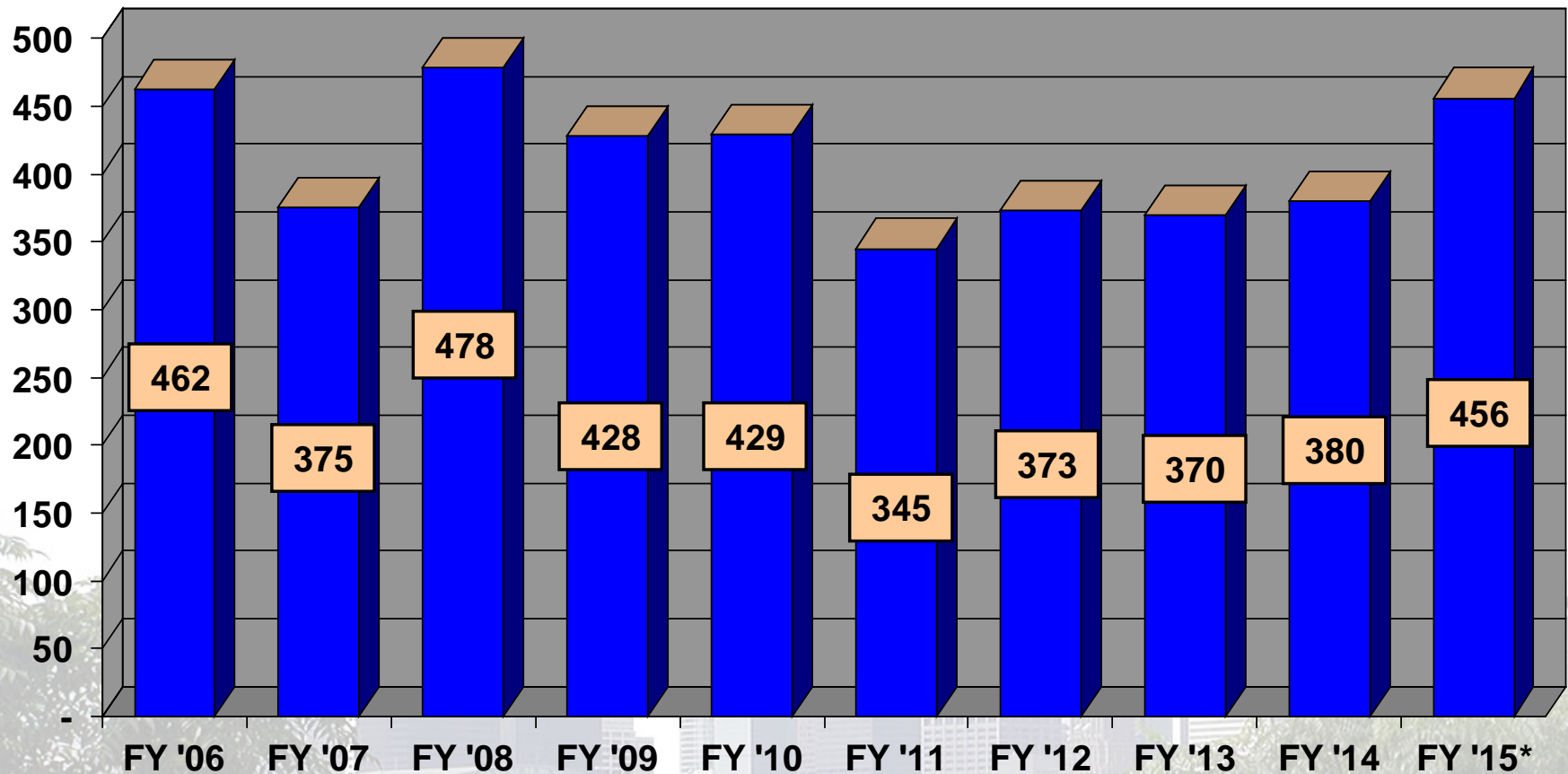
FY'16 INITIATIVES (Cont.)

- Continue to aggressively defend litigation filed against the City utilizing in-house litigators to the greatest extent possible
- Continue to have earlier involvement of the Legal Department in the procurement processes; improve contracting methods to secure more favorable contract terms for the City; and actively participate in the contract negotiations with the unions that represent City employees
- Enhance intergovernmental working relationship with County Attorney's Office for the mutual benefit of City/County, as well as establish cooperative relationship with City Attorneys from New York, Los Angeles, Chicago, Phoenix, Philadelphia and District of Columbia
- Hiring and retaining superior attorneys, enabling further reduction in the use of outside counsel

FY'16 INITIATIVES (Cont.)

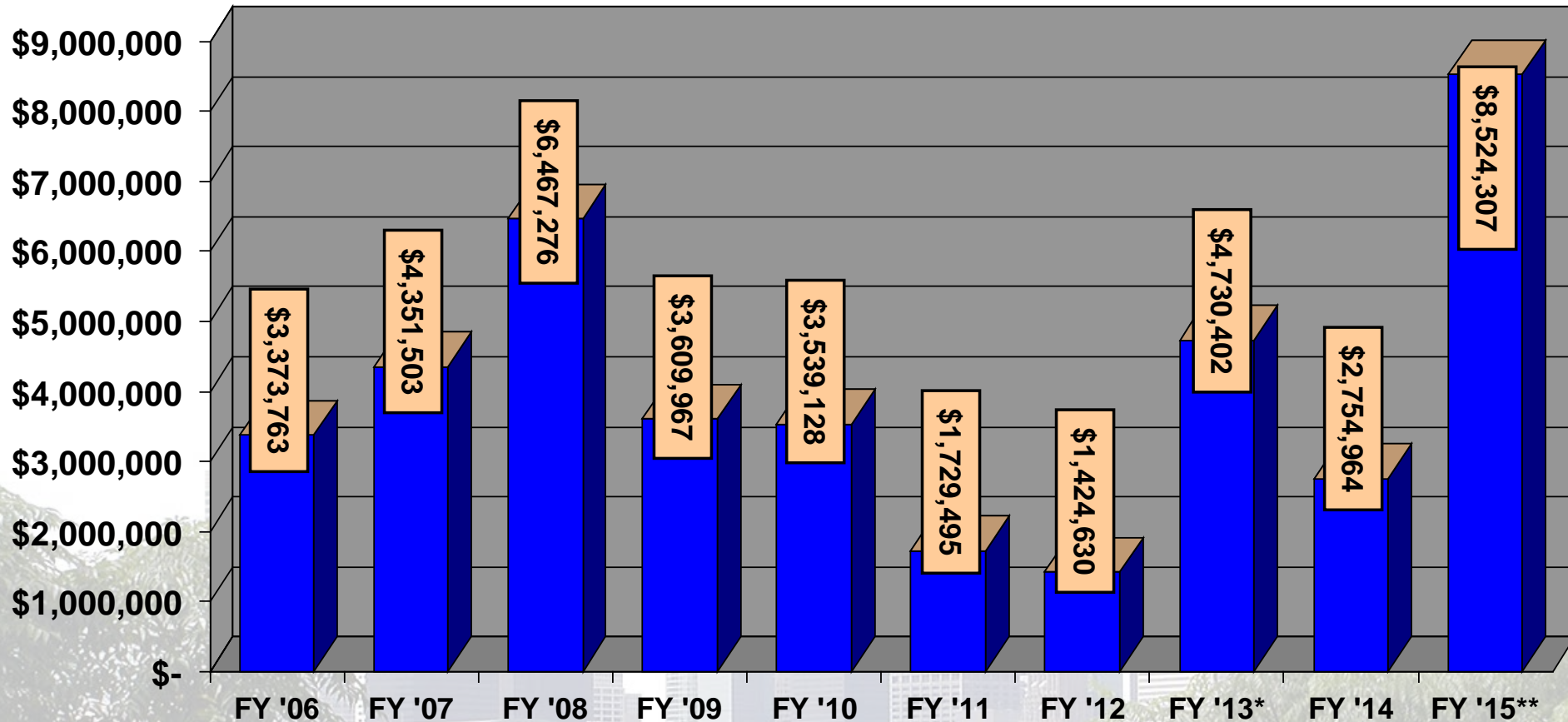
- Continue the transition to a paperless technology-oriented environment that will save on supply and archiving costs, as well as improve the efficiency of personnel in connection with accessing, retaining and retrieving electronic work files

COMPARISON: NUMBER OF CLAIM AND LAWSUIT SETTLEMENTS PER FISCAL YEAR



*Annualized - Actual year to date as of March 2015 is 342

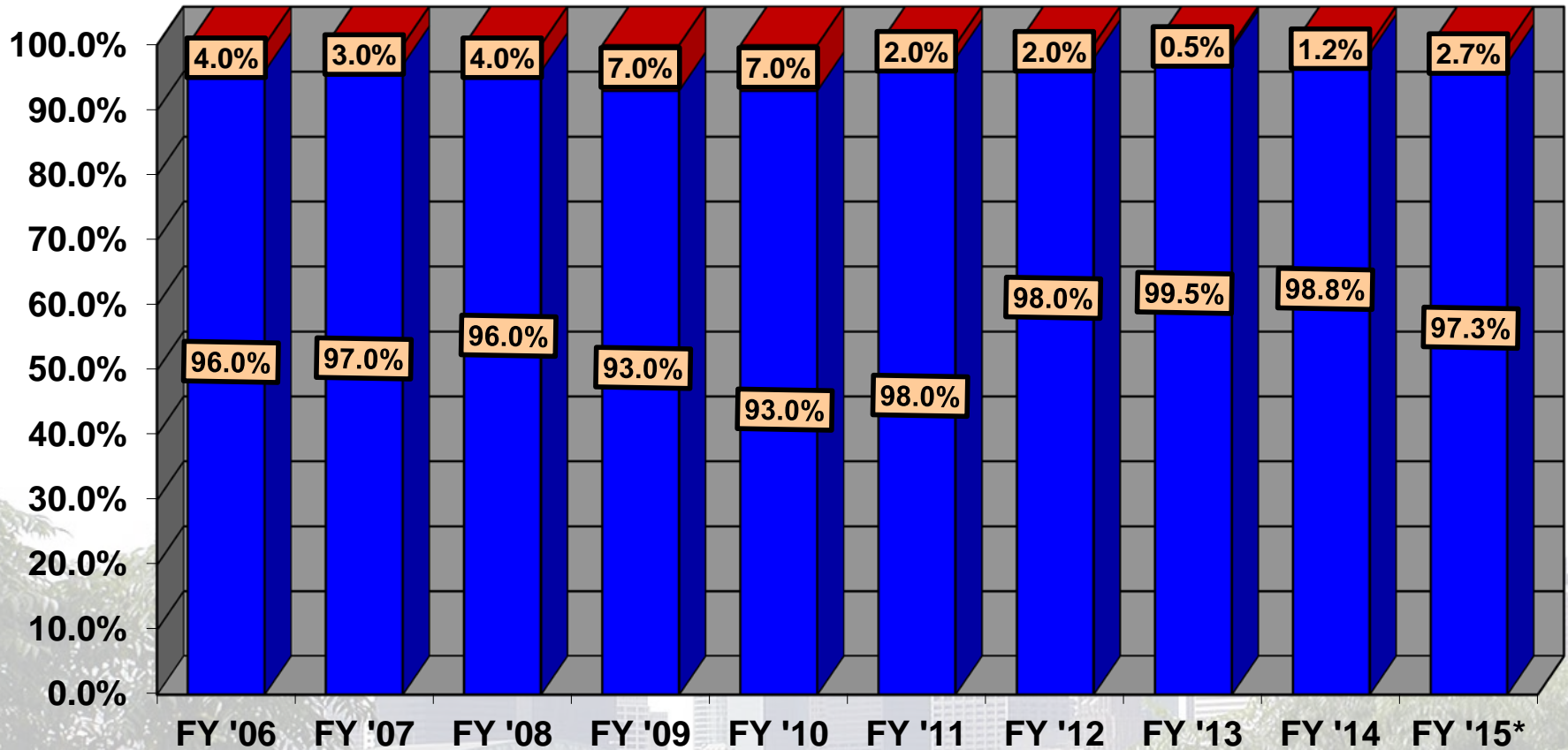
COMPARISON: CLAIM AND LAWSUIT SETTLEMENTS APPROVED PER FISCAL YEAR



*Amount includes \$3,000,000 relating to George Rodriguez wrongful conviction litigation and \$262,500 relating to the Jorge Medrano motor vehicle fatality litigation.

**Annualized – Actual year to date as of March 2015 is \$7,871,834; includes \$5,000,000 relating to Bean-Kemp civil rights litigation and \$704,536 relating to Columbus Adams, et al. accrued leave litigation.

COMPARISON: LAWSUITS HANDLED BY LEGAL DEPARTMENT VS. OUTSIDE COUNSEL PER FISCAL YEAR



Legal Department

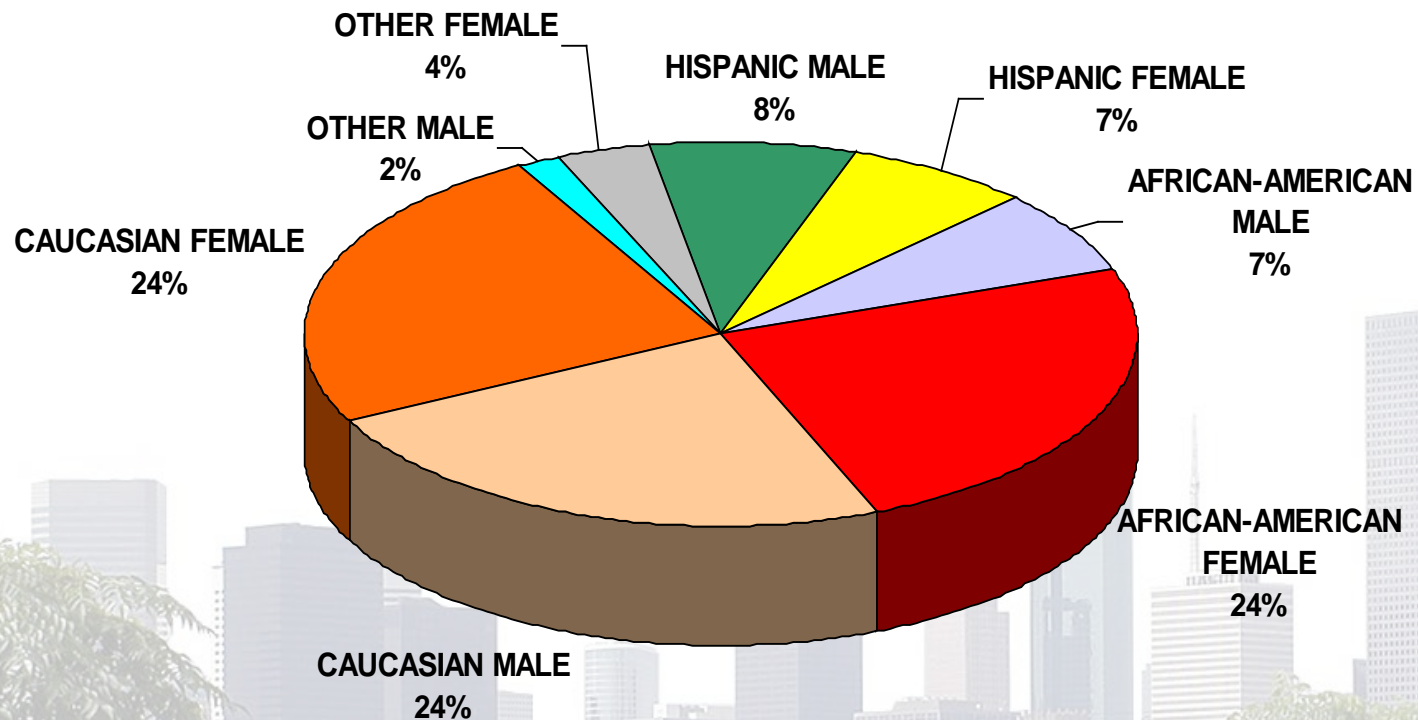
Outside Counsel

*Fiscal year to date as of March 2015

LEGAL DEPARTMENT CORE SERVICE MATRIX

Activities	Annual Projected Personnel Cost	Annual Projected Supplies and Services Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Fund	Description
Transactional/Governmental Affairs – The Legal Department renders opinions and advice to the mayor and city council upon any legal matter affecting municipal affairs. It also renders opinions and advice to city boards, commissions or directors of city departments, when requested in writing, upon any legal matter affecting the affairs of such board, commission or department. Draft, review and process contracts for all City Departments; generate legal opinions regarding contract related issues; provide legal representation, including title examination and opinions, for purchase, condemnation or sale of City property and leasing of real property; provide representation on bond issues, certificates of obligation, and municipal finance. Provide legal representation related to development and implementation of land use regulations, including environmental matters, utility regulation and franchising; prepare legal opinions relating to general municipal law issues, prepare ordinances, process public information requests, review annual financial disclosure statements and oversee election, lobbying, and redistricting processes. Review all legislation filed in the State legislature and provide analysis, as appropriate, on impact to the City. Provide legal services related to alcohol beverage licenses/permits, annexations and ad valorem taxes. Represent the City in eminent domain, Chapt. 125 nuisance and deed restriction litigation. Investigate allegations of employee misconduct which includes an employee's intentional act, relating directly or indirectly to the employee's employment, and violates a state or federal law, a City Ordinance, an Executive Order, an Administrative Procedure or a Mayor's Policy. The City's Office of Inspector General and members of that office, all of whom are not employed by HPD, will serve as confidential ombudsmen to assist citizens in filing of complaints of misconduct against police officers.	\$11,819,898	\$ 1,093,636	\$ 12,913,534	101.6	X			1000	See detailed list of activities
Litigation - Represent the City in all actions and proceedings before any court, commission, board or other judicial or administrative authority. Defend the City in personal injury, wrongful death, civil rights, inverse condemnation, labor and employment litigation, contract/vendor disputes. Pursue affirmative claims/lawsuits including property damage and workers' compensation subrogation, hotel occupancy taxes, contract/vendor overpayments, franchise and other miscellaneous collection.	\$ 8,173,115	\$ 15,397,542	\$ 23,570,657	57.5	X			1004, 1011	See detailed list of activities
Prosecution - Represent the State and City in cases filed in Municipal Courts including traffic, non-traffic, ordinance violations, property disposition hearings and scire facias matters.	\$ 3,254,745	\$ 12,240	\$ 3,266,985	27	X			1000	See detailed list of activities

LEGAL DEPARTMENT DIVERSITY STATISTICS – ALL STAFF



As of May 2015